

## **BOARD OF COMMUNITY HEALTH**

June 9, 2004

The Board of Community Health held its regularly scheduled meeting in the Floyd Room, 20<sup>th</sup> Floor, West Tower, Twin Towers Building, 200 Piedmont Avenue, Atlanta, Georgia. Board members attending were Carol Fullerton, Chairman; Richard Holmes, Vice Chairman; Frank Rossiter, M.D., Secretary; Joyce Blevins; Lloyd Eckberg; Kent (Kip) Plowman; and, Commissioner Tim Burgess. (A List of Attendees and Agenda are attached hereto and made official parts of these Minutes as Attachments #1 and #2.)

Ms. Fullerton called the meeting to order at 10:17 a.m. The Minutes of the May 12 meeting were UNANIMOUSLY APPROVED AND ADOPTED.

Commissioner Burgess began his report with an update on the status of the following issues: 1.) Estate Recovery program - the Department has scheduled a public hearing on June 24. At the July 14 Board meeting, the Department will present the Long Term Care Services Public Notice and Estate Recovery Proposed Rule for adoption and approval; 2.) Upper Payment Limit Program - the Department's Upper Payment Limit program has been approved by CMS. Commissioner Burgess thanked Carie Summers, Chief Financial Officer, and her staff for negotiating with CMS on this issue. CMS also approved 18 hospitals and several nursing homes that were held out of the original list of hospitals. The Department will be sending letters to hospitals in the next two weeks; and, 3.) State Health Benefit Plan (SHBP) – The results of the Request for Information yielded two consultant firms. The Department will be interviewing both and choosing one to evaluate and explore options/alternatives to solve the problems with the SHBP. At the end of the summer, the Department will report on the firm's findings.

Commissioner Burgess called on Bill Todd, President and CEO of the Georgia Cancer Coalition, to report on the progress of the Coalition. Mr. Todd began by stating the Coalition's goal has been to become first among the fifty states within a ten-year period. At its inception, the Coalition needed \$1 billion to reach its goal which was to be funded through state funds (\$400 million – tobacco settlement monies), federal funds (\$500 million – National Cancer Institute) and private sector funding (\$100 million – corporations, foundations and individuals). At his arrival, the Coalition was very close to acquiring its target funding from state and federal entities. However, the private sector funding still needed additional monies. Mr. Todd stated that he has been working on this issue with the newly appointed Board members. The Coalition's initiatives are to focus on the following areas: 1.) Research & Development, 2.) Treatment Services, 3.) Detection and Prevention, 4.) Education of Caregivers, and 5.) Economic Development. The Coalition is two years away from receiving a Comprehensive Cancer Center designation for Emory. In addition, the Coalition is developing a statewide system of clinical trials and recruiting 150 clinicians (they have recruited 66). Mr. Todd concluded the report.

Commissioner Burgess called on Charemon Grant, Deputy General Counsel, to present for adoption the CON Emergency Rule. Ms. Grant stated the purpose of the Emergency Rule is to modify a subsection of an existing rule, 272-2-.01 (19) (j) in light of changes in the creation of composite indices by the Department of Commerce of the United States. The Bureau of the Census of the U.S. Department of Commerce no longer publishes a composite construction index or appropriate replacement index. Other Bureaus within the U.S. Department of Commerce publish similar composite indices based on construction prices, and it is the intent of the Department to use such indices. Mr. Holmes MADE THE MOTION to ADOPT the CON Emergency Rule. Mr. Eckberg SECONDED THE MOTION. Ms. Fullerton called for votes; votes were taken. The MOTION was UNANIMOUSLY ADOPTED. (The CON Emergency Rule is attached hereto and made an official part of these Minutes as Attachment #3.)

Commissioner Burgess called on Carie Summers, to give an overview of the Public Notices that were published for public comment at the May 12 meeting. She

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began with the Pharmacy Services Public Notice. The Department is proposing to change the reimbursement for Medicaid and PeachCare for Kids pharmacy services. The effective dates of service for this proposed change will be on and after July 1. The Department proposes to change the discount applied to the Average Wholesale Price (AWP) from 10% to 11%. This proposed change is estimated to reduce annual total expenditures by \$2.6 million total funds (\$999,162 state funds). The Outpatient Hospital Services Public Notice states the Department is proposing to change the payment method for Medicaid and PeachCare for Kids outpatient hospital services effective for dates of service on and after July 1. The proposed changes are as follows: 1.) the reimbursement rate for those hospitals that are currently reimbursed at 90% of the cost of services provided will be modified to 85.6% of costs; 2.) the percentage of charges that will be used for interim payments for hospitals currently reimbursed at 90% of the costs of services provided will be reduced proportionally to 85.6% of costs; 3.) payments for out-of-state enrolled hospitals will be made at the statewide average percentage of charges that will be paid to Georgia hospitals being reimbursed at 85.6% of costs. The rate will not exceed 65% of covered charges; and, 4.) Critical Access, historically minority-owned and state-owned hospitals will continue to be reimbursed at 100% of costs. The changes are estimated to reduce annual total expenditures by \$24.3 million total funds (\$9.5 million state funds).

Ms. Summers continued with an overview of the Nursing Home Services Public Notice. The Department is proposing to modify the payment method for nursing home services. The changes effective for dates of services on and after July 1 are as follows: 1.) the standard per diem for dietary costs for the hospital based facilities peer group will be reduced to the 60<sup>th</sup> percentile; 2.) the growth allowance used to compute reimbursement rates will be reduced to 6.16%; and, 3.) payments for patient leave days or bed hold days during a patient's hospitalization will be made at 75% of the rate paid for days when a patient is onsite at a facility. These changes are estimated to decrease annual expenditures by approximately \$8.1 million total funds (\$3.2 million state funds).

Mrs. Fullerton opened the meeting for public comment on the Pharmacy Services Public Notice. No comments were given. Mr. Plowman MADE THE MOTION to APPROVE the Pharmacy Services Public Notice as policy. Dr. Rossiter SECONDED THE MOTION. Ms. Fullerton called for votes; votes were taken. The MOTION was UNANIMOUSLY APPROVED. (The Pharmacy Services Public Notice is attached hereto and made an official part of these Minutes as Attachment #4.)

Mrs. Fullerton opened the meeting for public comment on the Outpatient Hospital Services Public Notice. Comments were given by Bob Cross, a representative for numerous hospitals, and Cal Calhoun with the Georgia Hospital Association. Commissioner Burgess and Ms. Summers addressed questions from the Board. After discussion and comments, Mr. Plowman MADE THE MOTION to APPROVE the Outpatient Hospital Services Public Notice as presented with the stipulation that the Department will monitor the cost calculation methodology to ensure that it is consistent with previous methodology and hospitals are being reimbursed at 85.6% of costs, which is estimated to achieve a \$24.4 million savings. The Department will meet with hospitals and associations to review its findings and report back to the Board at a future meeting. Dr. Rossiter SECONDED THE MOTION. Ms. Fullerton called for votes; votes were taken. The MOTION was UNANIMOUSLY APPROVED. (The Outpatient Hospital Services Public Notice is attached hereto and made an official part of these Minutes as Attachment #5.)

Mrs. Fullerton opened the meeting for public comment on the Nursing Home Services Public Notice. Comments were given by John Herron with Ty Cobb Healthcare System, Cal Calhoun with the Georgia Hospital Association, Ginny Helms with the Alzheimers Association and Fred Watson with the Georgia Nursing Home Association.

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Mr. Plowman MADE THE MOTION to APPROVE the Nursing Home Services Public Notice as policy. Mr. Eckberg SECONDED THE MOTION. Ms. Fullerton called for votes; votes were taken. The MOTION was UNANIMOUSLY APPROVED. Ms. Fullerton then announced the departure of Joyce Blevins as Board member and Edwina Heard as Board Coordinator. She thanked both for their contributions to the Board and support of the Department. (The Nursing Home Services Public Notice is attached hereto and made an official part of these Minutes as Attachment #6.)

Commissioner Burgess began discussion on the Medically Needy and Estate Recovery Programs. He stated the Department presented recommendations for the proposed changes to the Medically Needy Program and Implementation of the Estate Recovery Program to the Governor in September 2003. The recommendations were approved by the Governor and General Assembly during the 2004 session. The Department is implementing the approved recommendations that were signed into law by the Governor. Ms. Fullerton stated the Board would allow public comment on these issues, but wanted those attending to know neither the Department nor the Board could rescind the changes to the Medically Needy program or the implementation of the Estate Recovery program. Ms. Fullerton opened the meeting for public comment on the Medically Needy and Estate Recovery Programs. Comments on the Medically Needy Program were given by Martha Eaves with the Georgia Council on Aging, Becky Kurtz – Long Term Care Ombudsman, Ira Leff – Elder Law Attorney, Kim Raymond with the Senior Citizens Advocacy Project, Dan Munster, Thelma C. Durden (LifeCare of Gwinnett), Elizabeth McKenzie, Jewell L. Mitchell, Joe Underwood, Ginny Helms with the Alzheimers Association, Cathy Underwood, Theresa Walker and Fred Watson with the Georgia Nursing Home Association. Comments on the Estate Recovery Program were given by Martha Eaves with the Georgia Council on Aging, Becky Kurtz – Long Term Care Ombudsman, Ira Leff – Elder Law Attorney, Kim Raymond with the Senior Citizens Advocacy Project, Wally Kelleman – Elder Law Attorney, Robert Goldberg – Elder Law Attorney, David McGuffey – Elder Law Attorney and Joe Underwood.

There being no further business to be brought before the Board at the June 9 meeting Ms. Fullerton adjourned the meeting at 12:45 p.m.

THESE MINUTES ARE HEREBY APPROVED AND ADOPTED THIS THE \_\_\_\_\_ DAY OF \_\_\_\_\_, 2004.

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MRS. CAROL FULLERTON  
CHAIRMAN

ATTEST TO:

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FRANK ROSSITER, M.D.  
Secretary

Official Attachments:

- #1 – List of Attendees
- #2 – June 9 Agenda
- #3 – CON Emergency Rule
- #4 – Pharmacy Services Public Notice
- #5 – Outpatient Hospital Services  
Public Notice
- #6 – Nursing Home Services Public Notice